

KANSAS RACING AND GAMING COMMISSION

MINUTES – OCTOBER 14, 2016

CALL TO ORDER (A.)

Commissioner Dennis McKinney called the October 14, 2016, meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners David Moses and Jan Kessinger were also present. Chairman Brandon Jones was absent. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of IT and Electronic Security Dennis Bachman, Director of Administration, Finance, and Audit Brandi White, Director of Security Larry Moreland, Recording Secretary Chris Vega and other staff.

MOTION, APPROVE AMENDED AGENDA (B.)

There was one amendment to the agenda: adding Disciplinary Review Board settlements/waivers (item D.3.a. on the agenda). Commissioner Kessinger (Moses) moved to approve the agenda as amended. Motion carried unanimously.

MOTION, APPROVE SEPTEMBER 2, 2016 TELECONFERENCE MEETING MINUTES (C.1.)

Commissioner Kessinger (Moses) moved to approve the minutes of the September 2, 2016 teleconference meeting. Motion carried unanimously.

MOTION, APPROVE SEPTEMBER 9, 2016 MEETING MINUTES (C.2.)

Commissioner Kessinger (Moses) moved to approve the minutes of the September 9, 2016 meeting. Motion carried unanimously.

MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Kessinger (Moses) moved to approve the consent agenda. Motion carried unanimously.

LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Diane Giardine, General Manager, reported:

- September 2016 revenue numbers compared to September 2015:
 - Total gaming revenue up 12.38%
 - Total slot revenue up 12.17%
 - Table games revenue up 14.15%
- Past casino promotions and arena events:

- Seniors Take 10
- Stay & Play hotel packages
- Motorcoach trips
- Longhorn parties & autographed bat giveaway
- September 16 – Noches Mexicanas
- September 18 – Montgomery Gentry
- September 23 – Jay Owenhouse, The Authentic Illusionist
- October 7 – Make America Rock Again Tour
- Upcoming casino promotions and arena events:
 - New slot machine launches
 - Earn & Win promotions
 - 4X4 Off-Road giveaway
 - Pink Power Hot Seats and Donation (Circle of Hope Cancer Charity)
 - October 7 – Make America Rock Again Tour
 - November 5 – Battle on Boot Hill (MMA)
 - November 18 – Martina McBride
 - December 9 – Sawyer Brown

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR
(E.2.a.)

Dan Ihm, General Manager, reported:

- September 2016 admissions were down 10.8% from September 2015.
- September 2016 revenue numbers compared to September 2015:
 - Total gaming revenue down 0.8%
 - Slot coin-in (handle) down 4%
 - Slot hold up .22 points
 - Table game drop down 2%
 - Table game hold up 1.2 points
 - Poker room revenue up 36%
- Past events at the Kansas Star Casino Arena:
 - September 9 – Trace Adkins
 - September 15 through September 18 – U.S. Team Roping Championship
 - October 1 – Evolution Fighting Championship (MMA)
- Upcoming events at the Kansas Star Casino Events Center:
 - October 15 – Sara Evans
 - November 5 – Cattle Baron's Ball

- November 9 through November 13 – National Finals Steer Roping
- November 19 – Miss Kansas USA/Miss Kansas Teen USA
- December 16 – Scotty McCreary

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY
(E.3.a.)

Rick Skinner, General Manager, reported:

- September 2016 revenue numbers compared to September 2015:
 - Total gaming revenue was \$11.6 million, an increase of \$408,000.00 or 3.6%
 - Table games revenue was \$1.4 million, a decrease of \$87,000.00 or -5.9%
 - Slot revenue was \$10.2 million, an increase of \$495,000.00 or 5.1%
- NASCAR races will be held this weekend:
 - October 14 – ACRA race (night)
 - October 15 – Kansas Lottery 300 Xfinity series (afternoon)
 - October 16 – Hollywood Casino 400 Sprint Cup series (afternoon)
- As part of the NASCAR festivities, Hollywood Casino will be giving away the 2016 Ford MVP Edition truck to the grand prize winner of the Hollywood Casino 400 promotion on October 14.
- The Hollywood Boulevard Bar opened on October 7.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
CROSSING CASINO
(E.4.a.)

Doug Fisher, General Manager, reported:

- As of October 1, Kansas Crossing Casino has received almost 600 applicants.
- Construction progressed on both the Kansas Crossing Casino and Hampton Inn & Suites.

COMMISSION ITEMS –
OLD BUSINESS;
(F.)

There were no old business items.

COMMISSION ITEMS –
NEW BUSINESS;
(G.)

Executive Director Brownlee presented to the commission the quarterly report on staff out-of-state travel, licensing and illegal gambling.

PUBLIC COMMENTS
(H.)

Members of the Kansas Thoroughbred Association, as well as the Kansas Horsemen's Association, introduced themselves to the commission. Those members were: Jerry Johnson, Gary Smith and Gail Radke.

STAFF REPORTS
(I.1. and I.2.)

Michelle Neis, Enforcement Attorney, reported on the Voluntary Exclusion Program statistics for the month of September 2016.

Executive Director Brownlee reported:

- Rick Wilson has been chosen as the supervising agent with the KRGK at Kansas Crossing Casino.
- New agent training for the Kansas Crossing Casino will begin mid-December.
- The historical racing presentation has been postponed until the November 18, 2016 meeting.
- The next meeting of the Kansas Racing and Gaming Commission will be November 18, 2016 at 10:00 a.m. in Topeka. Commissioner Kessinger will not be present and Commissioner Moses also may not be present.
- The KRGK December meeting will be held on December 16, 2016 at 10:00 a.m. in Topeka.

MOTION, EXECUTIVE
SESSIONS
(J.)

Commissioner McKinney moved for the commission to go into executive session for the purpose of (1) attorney/client privilege and (2) reviewing the list of confidential backgrounds for licensing. Those included in the executive sessions were the commissioners, executive director, general counsel, and director of security. The total time for the executive sessions was anticipated to be thirty minutes, preceded by a five minute break. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Commissioner McKinney (Kessinger) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 10:45 a.m.

RECONVENE

The commission meeting returned to open session at 11:20 a.m. with all members present. The commission announced it needed to go

back into executive session for an additional ten minutes to finish reviewing the list of confidential backgrounds for licensing.

MOTION TO RETURN TO
EXECUTIVE SESSION

Commissioner McKinney (Kessinger) moved the commission return to executive session for an additional ten minutes. Motion carried unanimously and the commission returned to executive session at 11:21 a.m.

RECONVENE

The commission meeting returned to open session at 11:31 a.m. with all members present.

MOTION TO DENY,
CONDITIONALLY
APPROVE, DENY
REQUEST FOR
RECONSIDERATION AND
APPROVE LICENSE
APPLICATIONS
(K.)

Commissioner Kessinger (Moses) moved to *deny* two license applications, *conditionally approve* three license applications, *deny request for reconsideration* of one license application, and *approve* the remaining 124 license applications from the October 14, 2016 list of background reports referred to the commission for action. Motion carried unanimously.

ADJOURN
(L.)

Commissioner McKinney declared the meeting adjourned at 11:33 a.m.

SUBMITTED BY:

(Signature on file)
Dennis McKinney
Vice-Chairman

APPROVED BY:

(Signature on file)
David Moses
Commissioner